

ORDINANCE NO. 024-84

AN ORDINANCE AMENDING
ORDINANCE NO. 024-17
AUTHORIZING UP TO \$9 MILLION
FOR STIPENDS TO ENCOURAGE
PROPOSALS FOR THE RED LINE
EXTENSION PROJECT DESIGN-
BUILD CONTRACT

WHEREAS, The Chicago Transit Authority (“Authority”) is undertaking a project to build stations and rail infrastructure on the Red Line, also known as the Red Line Extension Project (the “Project”); and

WHEREAS, The Project will extend the Red Line from the existing terminal at 95th/Dan Ryan to 130th Street and include four new stations near 103rd Street, 111th Street, Michigan Avenue, and 130th Street, with multimodal connections at each station including bus, bike, pedestrian, and park & ride facilities; and

WHEREAS, The Project will reduce commute times for residents, improve mobility and accessibility, and foster economic development, where stations may serve as catalysts for neighborhood revitalization; and

WHEREAS, The Authority is undertaking a two-step procurement process for the design-build contract for the Project in which interested contractors first submit their qualifications and then those deemed most qualified by the Authority (the “Proposers”) are invited to submit proposals; and

WHEREAS, On September 8, 2023, the Authority issued a Request for Proposals (RFP) to shortlisted Proposers for the design-build contract for the Project under Requisition No. C22FT102829986; and

WHEREAS, On October 13, 2023, the Transit Board authorized the President of the Authority, or his designee, to execute agreements to pay up to two (2) responsible shortlisted Proposers which submit responsive proposals and meet all other requirements, as determined by the Vice President, Purchasing and Supply Chain, but are not awarded the design-build contract for the Project an amount of Three Million Dollars (\$3,000,000.00) per Proposer for a total of up to Six Million Dollars (\$6,000,000.00) in the aggregate, per Ordinance No. 023-118; and

WHEREAS, On February 14, 2024, the Transit Board authorized an increase of the stipend amount to Four Million Five Hundred Thousand Dollars (\$4,500,000.00) per Proposer, for a total of up to Nine Million Dollars (\$9,000,000.00) in the aggregate, due to additional scope developments, Project time extensions, and changes in construction market conditions since the RFP was first issued, per Ordinance No. 024-17; and

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WHEREAS, The Authority has since entered into advanced contract negotiations with two Proposers, and such negotiations have required the Proposers to expend additional innovative engineering efforts to provide enhanced proposals at the best interests of the Authority; and

WHEREAS, Staff recommends removing the cap of Four Million Five Hundred Thousand Dollars (\$4,500,000.00) per proposer to provide additional flexibility in the award of the stipend amount due to the additional efforts required by the Proposers during the negotiation phase, with the total amount authorized to remain at Nine Million Dollars (\$9,000,000.00) in the aggregate; and

WHEREAS, It is customary and in accordance with industry best practices on large design-build projects to pay a stipend to shortlisted proposers which submit compliant proposals but are not ultimately awarded the contract, to encourage innovative engineering and allow the party undertaking the project to acquire the rights to such innovative engineering; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chicago Transit Board hereby amends Ordinance No. 024-17 to allow the President, or designee, to pay the responsible Proposers which are shortlisted and submit proposals found to be responsive and met all other requirements, as determined by the Vice President, Purchasing and Supply Chain, but are not awarded the design-build contract for the Project an amount that he deems reasonable up to a total amount not to exceed Nine Million Dollars (\$9,000,000.00) in the aggregate.

SECTION 2. The President of the Authority, or designee, is authorized to execute agreements to pay all responsible shortlisted Proposers which submit responsive proposals and meet all requirements, as determined by the Vice President, Purchasing and Supply Chain, but are not awarded the design-build contract for the Project an amount up to Nine Million Dollars (\$9,000,000.00) in the aggregate.

SECTION 3. The Chairman of the Chicago Transit Board and the President of the Authority, or their designees, are further authorized to take such actions and execute such documents as may be necessary to implement the objectives of this ordinance.

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SECTION 4. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

July 17, 2024

Secretary

July 17, 2024